

I. M. P. A. C.

(International Merchants Purchase Authorization Card)

STANDARD OPERATING PROCEDURES

CONTENTS

Introduction	3	
Chapter 1		
Purpose	5	
Application	5	
References	5	
Definition of Terms	6	
General Information	9	
Chapter 2		
Responsibilities	10	
Nominations	10	
Director of Contracting	10	
Agency Program Coordinator (APC)	11	
Cardholder	11	
Approving Official	14	
Resource Management	17	
Defense Finance and Accounting Service (DFAS)	20	
Chapter 3		
General Instructions	21	
Training Requirements		21
Implementation Procedures	21	
Dollar Limits	22	
Disputed Items	23	
Reconciliation Procedures	24	
Purchasing Process	26	
Required Priority of Sources	27	
Special Requirements	30	
Property Accountability	30	
ADPE	30	
Visual Information Equipment	33	

Contents (continued)

Audit Requirements	33
Mobilization	33
Use of the Purchase Card	33
Prohibited Purchases	33
Controlled Purchases	35
Purchases Requiring Prior Approvals	35
Lost or Stolen Purchase Cards	36
Record Keeping Procedures	36

Attachments

Attachment 1	
New Policy for Property Accountability Thresholds Assigned	
Dated October 1996	
Attachment 2	
GSA Desktop Contracts	
Attachment 3	
Important Phone Numbers	
Attachment 4	
Disputes Information	
Attachment 5	
Standards of Conduct	
Attachment 6	
Debarment List	
Attachment 7	
Notice for Centrally Managed Equipment	
Attachment 8	
Important Notice	
Attachment 9	

Exhibits

Exhibit 1	
Cardholder Statement of Questioned Item Form	
Exhibit 2	
FT LEE Form 443 – Bankcard Log	
Exhibit 3	
Disputes Log	

I. M. P. A. C.

(International Merchants Purchase Authorization Card)

STANDARD OPERATING PROCEDURES

Appropriated Funds

Fort Lee, Virginia

1997 EDITION

Introduction

The Government IMPAC program was designed to provide a means of purchasing small dollar items when it would not be cost effective to write purchase orders and Standard Form 44's or use imprest funds. Executive Order 12352, Procurement Reform, instituted this type of purchasing for federal agencies.

The General Services Administration (GSA) awarded a contract to provide federal agencies with the purchase card services. The bank card's distinctive appearance was intended to set it apart from personal credit cards. It bears the Great Seal of the United States and has the words "United States of America" printed on its face. The name IMPAC, International Merchant Purchase Authorization Card, is embossed on the card along with the name of the individual authorized to use the card.

The purchase card provides procurement and nonprocurement personnel with a simplified method of purchasing **commercially** available supplies and services which do not exceed the micropurchase threshold. A micropurchase applies to purchases of supplies/services equal to or less than \$2500 (for construction, \$2000). It is important to remember that use of the Government-wide commercial purchase card is not limited to use in commercial stores.

Standard procurement rules as described in the Federal Acquisition Regulation (FAR) and Supplements, and fiscal law requirements of the Anti-Deficiency Act as described in Army Regulation (AR) 37-1, apply to micropurchases. Purchases are not to be split to meet the \$2500 (\$2000 for construction) micropurchase threshold.

Appropriations to fund purchases must be available and must be appropriated for the purchase. Cardholders and Approving Officials must be specifically aware of purchase dollar limitations placed on Operational and Maintenance Funds for uses associated with purchases of systems and equipment and for limitations on construction equipment.

The program is intended to:

- (1) Supplement and simplify established small purchase procedures;
- (2) Can be used as a payment method under existing contracts or other contracting vehicles, and
- (3) Is designed to minimize cost/administrative burden and reduce procurement lead-time.

Chapter 1

1-1. **PURPOSE.** The purpose of this Standard Operating Procedures is to establish internal policies and procedures to all Approving Officials, Cardholders, Resource Managers, Installation and Activity Commanders and to others involved with the IMPAC program for use of the purchase card to acquire and/or pay for supplies and services which are commercially available and have been approved for local purchase.

1-2. **APPLICATION.** This SOP applies to all purchases of supplies and services using the purchase card at Fort Lee, VA, to include tenant and satellite activities within the installation's area of support as prescribed in AR 5-9.

1-3. REFERENCES.

a. AR 5-9, Intraservice Support Installation Area Coordination, Mar 1984 Edition and Changes/Updates.

b. AR 37-1, Finance and Accounting Policy Implementation, Sep 1995 Edition and Changes/Updates.

c. Army Federal Acquisition Regulations on Supplement (AFARS), 1996 Edition and Changes/Updates.

d. Department of Defense Federal Acquisition Regulation Supplement (DFARS), 1991 Edition and Changes/Updates.

f. Federal Acquisition Regulation (FAR), 1990 Edition and Changes/Updates.

g. HQ TRADOC Acquisition Regulation 715-3, 1997 Edition and Changes/Updates.

h. Governmentwide Commercial Purchase Card Services Contract Guide, Revised Addition.

i. DoDD 5500.7-R, Aug 1993 Edition and Changes/Updates, Joint Ethics Regulation, Standards of Conduct.

j. AR 710-2, Inventory Management Supply Policy Below the Wholesale Level, Mar 1994 Edition and Changes/Updates.

k. AR 735-5, Policies and Procedures for Property Accountability, Mar 1994 Edition and Changes/Updates.

l. AR 25-30, Army Integrated Publishing and Printing Program, Feb 1989 Edition and Changes/Updates.

m. AR 25-1, Army Information Resources Management Program, Nov 1988 Edition.

1-4. **DEFINITION OF TERMS:**

Agency Program Coordinator (APC). The individual at the installation or activity designated by the ordering agency/organization to perform contract administration for the Government Commercial Purchase Card Service Program. The APC is assigned to the Directorate of Contracting (DOC). This individual appointed by the DOC serves as the liaison between cardholders, the installation, HQ TRADOC, RMBCS, and GSA. This individual provides training, oversight of the program at the installation and ongoing guidance and advice to all cardholders and approving officials.

Account Set-Up Information. Specific information required by the contractor for each cardholder and approving official so that active accounts can be established for each. This information is supplied by the DOC directly to the Bank .

Accountable Officer. The individual at the installation supply support activity (ISSA) through which all supply requests are normally submitted, unless the required item is on a list of items that have been preapproved for local purchase. The accountable officer normally determines the source of supply and initiates appropriate purchase action.

Administrative Office. The Office with direct overall responsibility for the IMPAC purchase card program. Within TRADOC, this office is the installation Directorate of Contracting (DOC). The DOC will appoint approving officials/certifying officers, cardholders, Agency Program Coordinator and disputes official.

Approving Official (AO). An individual appointed by Command authority who has under his/her purview one or more cardholders. The Approving Official is responsible for, at a minimum, reviewing cardholder(s) monthly statements and verifying all transactions made were for necessary government purchases and in accordance with the Federal Acquisition Regulations (FAR). Approving Officials also provide certification of cardholders transactions to the disbursing office for payment to the International Merchants Purchase Authorization Card (IMPAC) contractor. The Army uses the Approving Official concept in the commercial credit card program for internal control purposes. The AO provides a critical checkpoint by reviewing the cardholder's transactions to ensure that transactions are necessary and for official government purposes only. The individual is normally, the cardholder's immediate supervisor or higher level official within a directorate or activity. A cardholder cannot be his/her own approving official. The DOC may delegate other duties as required by the installation. The AO is not the same person as the accountable officer in the installation supply support activity (ISSA).

Authorization. The process accomplished by the merchant at the point of sale to electronically verify that a purchase is being made within the established cardholder limits.

Bulk Funding. Specific reservation of funds by the Resource Manager.

Cardholder. Any individual designated by an agency/organization to be issued a purchase card and **procurement authority is delegated**. The purchase card bears the name of the individual and **can be used only** by this individual to pay for official purchases in compliance with agency/organization internal procedures. Cardholders shall be held liable for fraud, misuse or abuse of their card.

Cardholder Statement of Account (SOA). A statement provided to the cardholder by the Bank listing all transactions processed against the account during the billing cycle.

Certification. The act of attesting to the legality, propriety and correctness of a document for payment as provided for in 31 U.S.C. 3528(a).

Construction. Construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property, inside and outside.

CAPR. Capability Requirement.

Defense Finance and Accounting Services (DFAS). The designated payment office. DFAS pays invoices from the Bank after certification by the cardholder's approving official.

Delegation of Authority. A written delegation issued by the DOC to trained individuals which establishes them as authorized cardholders. This delegation of authority will specify spending and usage limitations unique to that cardholder, and must be maintained in the file of each cardholder. Individuals delegated contracting authority are procurement officials, as defined under Section 27 of the Office of Federal Procurement Policy Act. They must receive training in use of the purchase card and contracting ethics

Disbursing Officer. A disbursing officer is responsible and accountable for (a) disbursing money only as provided by documents duly certified by an authorized purchase card certifying officer, (b) examining documents to decide if they are in proper form, computed correctly on the facts certified, and certified and approved by an authorized purchase card certifying officer, and (c) returning to the purchase card certifying officer any official invoice received which is not in proper form, is incomplete, or is not properly certified.

Dispute. A disagreement between the cardholder and RMBCS regarding items/charges appearing on the cardholder's monthly statement of account (SOA).

Disputes Official. An individual in the DOC who will coordinate, process and monitor all disputed purchases, credit or billing errors, etc., after efforts by the cardholder and approving official have been unsuccessful.

IMPAC. International Merchant Purchase Authorization Card. The "IMPAC" initials will appear on the purchase card and on most forms.

Merchant Type Code. Code assigned by the bank card company to a merchant which categorizes the type of business the merchant is engaged in and the kinds of goods and services provided. This code is identified each time an authorization is sought and is used to identify those merchants who provide goods and /or services that are unauthorized for the cardholder (e.g., airlines, travel agencies, bars, etc.)

Micro-Purchase. An acquisition of supplies or services (except construction) the aggregate amount of which does not exceed \$2,500.

30-Day Spending Limit. It is the responsibility of the Approving Official and the servicing Resource Manager to establish the maximum amount for cardholder purchases for each billing cycle. Purchases made during one month that does not appear on the month's statement will be carried into the following month and will be disbursed in the month they actually appear on the statement.

Monthly Spending Limit (Office Limit). (Note: Do not confuse with 30-day spending limit.) The monthly spending limit for the Approving Official should equal all cardholder(s) 30-day spending limits. In effect, if the Approving Official has 10 cardholders all with 30-day spending limits of \$5,000, the Approving Official's monthly

spending limit should be \$50,000. Once the Approving Official's limit has been reached, all subsequent cardholder purchases will be denied.

Payment Cycle Standards. Fort Lee's billing cycle date begins on the 24th of one month and ends on the 23rd of the following month.

Personal Services. A contract that by its express terms or as administered, makes the contractor personnel appear, in effect, government employees.

Property Book Officer. The individual responsible for monitoring purchases of nonexpendable items and ensuring that inventory accountability is performed. Cardholders are responsible for coordinating the delivery and approval of non-expendable items with the Property Book Officer.

Purchase Card Certifying Officer. A DoD military member or civilian employee of the Department appointed in writing to certify the official invoice for payment.

Single Purchase Limit. Agreements between each Approving Official and the servicing RMO establish single purchase limits. The maximum, single purchase authorization is \$2,500 (\$2,000 for construction). Exceptions cannot be granted to the maximum single purchase limit if the card is used for micropurchases. The delegation of authority memo that appoints the cardholder designates the single purchase limit for each purchase card. This authorization has been established to ensure Procurement laws and Federal Acquisition Regulations are followed.

Tax Exemption. Purchase card transactions are exempt from state and local taxes, in accordance with state and local laws. The phrase "U.S. Government Tax Exempt" will be embossed on the front of each IMPAC purchase card. The cardholder is responsible for ensuring the merchant does not charge taxes, since taxes are not valid disputes and cannot be deducted from payment.

Telecommunications. The transmission, emission, or reception of signals, signs, writing, images, sounds, or intelligence of any nature, by wire, cable, satellite, fiber optics, laser, radio, or any other electronic, electric, electromagnetic, or acoustically coupled means.

1-5. GENERAL INFORMATION.

a. TRADOC Directors of Contracting (DOCs) will return purchase requests for items or services valued at less than \$2,500 if not supported by an adequate justification why the cardholder cannot obtain the requirement with the purchase card. Cardholders should be able to obtain most micropurchase requirements with the purchase card. Some examples of acceptable justifications include:

- (1) If the activity's only cardholder has not yet completed, or is scheduled for training;
- (2) If the cardholder has made and documented three calls to legitimate vendors and cannot find a source or cannot find a vendor who will accept the purchase card;
- (3) If the price quoted by the vendor that will accept the card is higher than the price of a vendor that does not. However, note that the DOC may choose to reject a purchase request in this situation if the administrative cost of issuing a purchase order makes it in the best interest of the Government for the cardholder to make the purchase.

Chapter 2

2.1 RESPONSIBILITIES

a. NOMINATIONS.

(1) **Selection and Appointment.** Cardholder(s) and Approving Official must be nominated by the command chain through the Agency Program Coordinator who is responsible for reviewing nominations for possible conflicts of interest with other duties and responsibilities. Each cardholder must be assigned to an Approving Official. Selection and assignment of both cardholders and approving officials establishes the main management control for prevention or detection of fraud or abuse of the purchase card. The Approving Official may be the cardholders direct supervisor, or someone else within the command chain, that can provide an oversight function without creating a conflict of interest. For example, Property Book Officers will not be appointed as either cardholders or as approving officials. Individuals with fund certification authority will not be appointed as cardholders for cards citing those funds. No one individual shall be established as purchaser, receiver, and certifier. Nomination of Cardholder(s)/Approving Official will be coordinated with the activity Resource Manager (see Resource Management).

b. DIRECTOR OF CONTRACTING (DOC).

(1) The DOC has overall responsibility for oversight of the IMPAC purchase card program on the installation. The DOC will:

(2) Designate an individual within the DOC to act as the Agency Program Coordinator (APC) to monitor/manage the program and resolve problems.

(3) Develop (when necessary) and maintain supplemental implementing instructions.

(4) Issue delegations of authority to cardholders and approving officials.

(5) Promote and publicize the program throughout the command and industry.

(6) Assist activities in determining cardholder requirements.

(7) Ensure that prospective approving officials and cardholders receive appropriate training and orientation covering use of the purchase card prior to being delegated authority under the program.

(8) Establish approving officials and cardholder accounts after they have completed the required training.

(9) Review cardholder and approving official performance to ensure proper controls are in place to prevent potential fraud, waste and abuse.

(10) Initiate recommendations for disciplinary action for unauthorized use of the purchase card or failure to follow prescribed procedures.

2-3. AGENCY PROGRAM COORDINATOR (APC). The APC functions as the primary liaison between cardholders, the installation, HQ TRADOC, Bank, and GSA and will:

a. Serve as the representative on technical matters for the installation program.

b. Provide and certify training for the purchase card program.

c. Serve as the disputes official.

2-4. CARDHOLDER. Cardholders hold a public trust and must meet the highest ethical standard. Cardholders shall:

a. Ensure that the IMPAC purchase card is used **FOR OFFICIAL GOVERNMENT PURPOSES ONLY.**

b. Safeguard the purchase card and account number at all times. The card is embossed with the cardholder's name and is designed so that it cannot be confused with personal credit cards. **CARDHOLDERS SHALL NOT ALLOW ANYONE ELSE TO USE THEIR CARD OR ACCOUNT NUMBER, INCLUDING APPROVING OFFICIALS, SUPERVISORS, OR COMMANDERS IN THE CARDHOLDER'S CHAIN OF COMMAND.** Failure to safeguard the purchase card and account number will result in the card being withdrawn from the cardholder.

c. Ensure proper documentation of the following elements prior to making any purchase;

(1) Brief, written description of required item or service.

(2) Funding Availability. Funds must be made available prior to making any purchase. The Director, Resource Management (DRM) or activity budget official will be responsible for providing "bulk" funding for micropurchase transactions to each cardholder. It is the cardholder's responsibility to ensure that funding has been certified and is sufficient for the purchase. The bulk funding provided by the Resource Manager shall not be exceeded without prior written approval from the Resource Manager. If purchases were made exceeding the allocated bulk funding, this would create an unauthorized commitment by the cardholder.

(3) Ensure local purchase authority has been provided by the responsible process owner (DOL, DOIM, DPW, etc.).

(4) If purchasing a property book (non-expendable) or a hand receipt (durable) item, ensure that procedures established by the installation DOL are followed regarding property accountability. (see Attachment 1)

d. Check mandatory sources of supply prior to initiating purchases. Some mandatory sources include:

(1) Institute of Heraldry for flags and guidons;

(2) General Services Administration (GSA) for tires, chemicals, office supplies, and other items;

(3) Federal Prison Industries, Inc. (FPI/UNICOR) for furniture and toner cartridges; and

(4) National Industries for the Blind/National Industries for the Severely Handicapped (NIB/NISH) for many office supplies. NIB/NISH requirements can be satisfied by going to GSA, regional Lion's Club International, Inc.

stores, or GSA's new federal supply schedule "desktop" contracts. (see Attachment 2)

e. Make purchase card transactions as prescribed in accordance with this SOP, the GSA "Governmentwide Commercial Purchase Card Service Contract Guide", procurement statute, policies and regulations, training received and within the specific, delegated authority. If questions arise, contact the installation APC. The Bank customer service representatives are also available to answer questions.

f. A single purchase transaction may include multiple items, but the total amount, to include all incidental charges (e.g., shipping/transportation costs) **shall not exceed** the cardholder's single purchase limit (\$2,500). **Do not split requirements to stay within the single purchase limit.** This practice is prohibited. When the total value of required items exceeds the cardholder's single purchase limit, combine the items on one purchase request and forward to the Directorate of Contracting. In accordance with Fort Lee Policy No. 1-96, the Directorate of Contracting has the authority to return any purchase request valued at and below \$2,500 to the requester if the item is one which could be purchased with the card unless a valid justification is attached and approved by the Directorate of Contracting.

g. For requirements under \$2,500, competition is not required. However, the cardholder must determine the price to be fair and reasonable (information on how to determine price reasonableness will be covered in cardholder and approving official training) and rotate purchases among qualified vendors.

h. For transactions whose total value exceeds \$2,500 (the micropurchase limit), the purchase card may be used **but only for payment and only if a higher dollar limitation is authorized in the cardholder's specific delegation.**

i. Inform merchants that the purchase is for official Government purposes and, therefore, is exempt from state or local taxes in accordance with state law. The IMPAC card is imprinted with "U.S. Government Tax Exempt" for additional clarification. If the vendor refuses to accept this status, the cardholder should notify the IMPAC contractor and find another merchant with whom to process the transaction.

j. Backordering is not allowed. **Cardholders are responsible for informing the merchant that the billing cannot occur until the item(s) are shipped and/or delivered.** Ensure that the merchant uses either electronic or telephone clearance of purchase from the IMPAC contractor. Items purchased should be available for delivery within 30 days or by the time the monthly report is received to simplify monthly reconciliation. Multiple delivery sites on a single order are acceptable so long as the merchant does not bill until all deliveries under the transaction are made and accepted by the Government. If an item has been billed on the SOA, but not yet received by the

activity, the cardholder waits until the following billing cycle to submit the CSQI (Cardholder Statement of Questioned Item).

k. The merchant automatically for all purchases at the point-of-sale obtains authorization. The IMPAC contractor authorization system checks each individual cardholder's single purchase limit, monthly limit, and the type of merchant being utilized before the transaction is approved. This ensures that cardholders are within the limits established in their letter of authorization. Emergency purchases beyond the assigned monthly limit may be authorized by the approving official, but **must be coordinated with the installation Agency Program Coordinator (APC) at the DOC and the IMPAC contractor prior to exceeding limits.**

l. Maintain a comprehensive register/log of all purchases (see Exhibit 1) with supporting documentation. Register/log should be complete and up-to-date since it will be used to reconcile the monthly SOA and will be subject to review by the approving official, DOC, IRAC, AAA or other surveillance organizations/activities.

m. Review, verify and reconcile the itemized monthly statement of account (SOA) and record a description of the items purchased, note that hand receipts have been obtained where required. Ensure that all documents (sales receipts and/or delivery tickets, etc.) are legible, accurate, complete and on hand for reconciliation at the end of the billing cycle. Sign the SOA, attach supporting documentation (including credit vouchers), and forward all to the approving official for further action within 5 days of receipt from the IMPAC contractor (if in doubt as to the date the SOA was received by the Government, use the date of the SOA as a reference point). If the SOA is not received by the second day of the month following the billing cycle, contact the IMPAC contractor as indicated on the back of the purchase card and request a reprint of the SOA.

n. Attach all **originals** of the, purchase card charge slips/sales drafts, merchant invoice or cash register receipt and delivery tickets, etc. with the **original** SOA. These documents become part of the audit trail required and must be **retained** by the approving official for **three years**.

o. Cardholders will maintain a suspense file of disputed transactions. Disputed transactions should first be addressed to the vendor for credit. If the vendor does not remedy the situation, cardholders should complete a CSQI and forward this to the Approving Official along with the SOA (see Disputed Items).

p. During periods of temporary duty (TDY) or when on leave status during the period when the SOA is received for verification/reconciliation, the cardholder must forward all supporting documentation to the approving official prior to departure. The approving official will be responsible for reconciling charges and coordinating with the billing office to ensure timely payment. The cardholder must sign a copy of the SOA upon return to work.

2-5. **APPROVING OFFICIALS.** Approving officials, like cardholders, must also meet the highest ethical standards. The Approving Official is now the key position in the purchase card purchasing, dispute, and bill paying process.

a. Under current procedures, the Approving Official's signature validates that purchases made by cardholders:

- (1) Are correct and essential to fulfill immediate mission requirements.
- (2) Do not exceed spending limits approved by the resource manager.
- (3) Are not for personal use - official Government business only.
- (4) Are not items that have been specifically prohibited by the organization or by statute.
- (5) Have not been split into smaller segments to stay under the micropurchase limit (\$2,500 for supplies and services - \$2,000 construction).
- (6) Is not part of a system or larger purchase exceeding \$100,000.00 in value.
- (7) Purchases are made in accordance with Federal Acquisition Regulations and Supplements.

b. The Approving Official is responsible for ensuring that proper property book procedures have been followed and that hand receipts have been obtained when required.

c. Under standard Business Practices, the Bank sends the Billing Statement directly to the Approving Official. The Billing Statement must be certified for payment and sent to the responsible payment office (e.g., OPLOC).

d. The Approving Official will be designed a purchase card Certifying Officer by issuance of a letter of appointment and completion of a signature card (DD Form 577).

e. The Approving Official will also be responsible for the following certification functions:

- (1) Reconciles the Billing Statement against the cardholder SOAs and supporting documentation, verifying that the transactions meet the legal requirements for authorized purchase card purchases.

- (2) Verifying that adequate documentation is available for individual transactions.
- (3) Verifying that the facts presented in the documents for payment are complete and accurate.
- (4) Verifying proper documentation has been issued for hand receipted items.
- (5) Taking appropriate action to prevent two or more payments for the same transaction.
- (6) Implementing correct dispute procedures when transactions are questioned.
- (7) Issuing a certification statement to the payment office. The payment office must receive the certified Billing Statement no later than ten (10) calendar days after receipt of the Billing Statement.

f. Each Approving Official will have an assigned credit limit equal to three times the monthly purchase limit. If the unpaid balance on an Approving Official's account exceeds this limit, all further purchase authorizations will be rejected and the Approving Official's accounts will be suspended until the account is paid in full.

g. If Billing Statements are not paid for three (3) consecutive months, the cardholder's credit limit may be exceeded and the account suspended.

h. In cases where the cardholder will not be available to perform the reconciliation (i.e., vacation, TDY, or sick leave), the Approving Official should assist in making alternate arrangements. If satisfactory arrangements cannot be made, the Approving Official must still certify the Billing Statement and direct a specific reconciliation after the cardholder returns. **Note:** If a cardholder cannot produce his/her Statement of Account, the Approving Official may direct the cardholder to endorse that portion of the Billing Statement that applies, since identical information from the SOA is on the Billing Statement.

i. The Approving Official must ensure that there is an alternate person available to perform Billing Statement and SOA reconciliation in their absence. **Note: The alternate must also be an appointed Certifying Officer.**

j. Under the revised procedures, **the Approving Official is pecuniary liable for an illegal, improper, or incorrect payment due to an inaccurate or misleading certification. Consequently, Approving Officials that knowingly make a false**

certification could be asked to repay the Government for the items purchased in accordance with provisions at 31 U.S.C. 3528. If the Approving Official is unsure about fund certification, the Approving Official should contact the Resource Manager for guidance and/or assistance.

2-5.1 Disputed Items

a. The Approving Official monitors the dispute process to see that disputes initiated by the cardholder(s) are eventually settled and credit is provided to the Government when appropriate. If a cardholder disputes a charge, the original CSQI is sent directly to the Bank and a copy is attached to the SOA when it is forwarded to the Approving Official for review. A copy of the CSQI is kept by the Cardholder in a suspense file until resolved.

b. The Approving Official will sign and date the SOA and Billing Statement. Payment will not be withheld for disputed items. The AO will certify the invoice for payment in full, and any credits for the disputed items will be offset against future billings. The Approving Official also safeguards documentation (e.g., receipts).

2-5.2 Maintaining Records

a. The Approving Official must date stamp the Billing Statement when received to ensure prompt payment is computed properly. Payment is due 23 calendar days from date of receipt of the Billing Statement. If the Approving Official does not clearly identify the date of receipt on the Billing Statement, the Prompt Payment Act requires the payment office to use the statement date as assumed date of receipt. In many cases this will result in the payment not being made in a timely manner and interest penalties will be assessed.

b. The Approving Official will ensure that a complete and legible accounting classification appears on the face of the Billing Statement or that the accounting codes have been applied by the cardholder through an automated system.

c. Approving Officials are responsible for ensuring that the signed billing statement arrives in the Finance Office by the 10th calendar day from receipt of the Billing Statement.

d. The Approving Official will retain and safeguard the original SOAs, individual transaction receipts, and copies of the certified Billing Statement for a period of three years.

e. Issue a memorandum to the Agency Program Coordinator when changes to accounts are necessary. The Approving Official is to ensure that all terminating cardholders have cleared through the Agency Program Coordinator with a memorandum.

signed by the Approving Official, requesting cancellation of their account and destruction of their purchase card.

2-6. RESOURCE MANAGEMENT

a. Funding Method

(1) Resource Managers will fund purchase card purchases using the “Bulk” funding method. Cardholders will no longer request funding for each separate purchase.

(2) The “Bulk” method requires that a specific fund reservation (obligation or formal commitment) be posted to the official accounting records prior to payment of the invoice. “Bulk” funding may be made in monthly, quarterly, semi-annually, or annual increments as is appropriate to the funding environment of the activity. The Resource Manager will, in conjunction with the Command and the Agency Program Coordinator, determine the cardholder’s 30-day spending limit and the Approving Official Limits, then use these limits to budget for purchase card purchases. Tenant organizations will be provided with purchase cards citing the tenant’s direct funds wherever feasible, to reduce the administrative workload associated with the reimbursing the host for these purchases.

(3) The Resource Manager will use the Cardholder’s 30-day spending limit as the basis for creating and posting “Bulk” funding reservations. Actual bulk funding provided will be determined by the Resource Manager based upon available funding and historical spending patterns. In those cases where the Cardholder’s 30-day limit will not be the same as the amount bulk funded, alternate internal controls must be established to assure bulk funding is not exceeded. Cardholders will not exceed the “Bulk” funding amounts without first obtaining additional funding from the Resource Manager.

(4) The Resource Manager will assign a single accounting classification for each Cardholder’s account number. Use only one basic symbol on each card to provide an adequate audit trail for future interest payments, discounts, and rebates. The accounting classification should be entered in the Master Accounting Code field on the purchase card account setup. Note: Conditions will exist where it is necessary to use more than one line of accounting. APCs will coordinate with local Resource Managers to determine if an exemption is in effect and what procedures to use in place of the single line of accounting per card. DFAS will assess one work load count for each line of accounting cited in the Billing Statement.

(5) Employing a Single Line of Accounting (LOA) will facilitate summary level accounting per purchase card and by using single object class in formal accounting records.

2-6.1 Allocation of Funds

a. Appropriations without formal commitment accounting will post estimated obligations for each Cardholder equal to that cardholder's monthly spending limit multiplied by the number of months being obligated.

b. Appropriations with formal commitment accounting will record the spending limits as commitments and will post purchases as obligations prior to payment of the Billing Statement.

2-6.2 Purchases for Future Distribution

Where conditions require items to be purchased locally, then held for stock in the local retail Defense Business Operations Fund, Supply Management Army (DBOF SMA), cards may be issued to a purchasing officer in the supply support activity citing DBOF SMA funds. Purchases made using cards citing DBOF funds are not provided Stock Record Account (SRA) or DBOF SMA by-pass authority. Eventual billing of the item to the end consumer's funds will be accomplished through traditional methods.

2-6.3 Fund Authorization.

a. Requests to establish cardholders will be coordinated with the activity Resource Manager before delivery to the Bank. The Resource Manager will assign a single line of accounting to each IMPAC account. A total of 75 characters are available in the Master Accounting Code field to accommodate fund citations. All fund citation will be entered in this field as follows:

Position	Length	Data Element
1-2	2	Department
3	1	Fiscal Year (fill with and asterisk)
4-7	4	Basic Symbol
8-11	4	Limit/Subhead
12-13	2	Operating Agency (OA)
14-17	4	Allotment Serial Number (ASN)
18-21	4	Element of Resource
22-35	14	Standard Document Number
(DSN)		
36-41	6	Account Processing Code (APC Center)
or Cost		

42-44	3	Blank or Local Use
45-50	6	Fiscal Station Number
51-75	25	Local Use

b. One and only one treasury symbol will be cited on each card to provide an adequate audit trail for discounts and rebates. Exceptions to this general rule may be required when the cardholder buys for several appropriations and /or project orders. Approval for exceptions must be explicitly granted by the Resource Manager on the cardholder application and the activity must provide an automated method for charging each purchase to the correct appropriation and/or project order.

c. Activities will establish local procedures to update the accounting code for the new fiscal year as part of the year-end close out procedures.

d. Unique Standard Document Numbers (DRN) will be assigned to each cardholder account.

e. Element of Resource (detailed object class or EOR) assignment will depend on the availability of automated processes. Activities with access to automated programs that assign a specific EOR to each purchase will use those programs to assign EOR. Activities without such automation will apply a single EOR to each purchase card. The Resource Manager will determine the EOR that best fits the types of purchases envisioned with the particular card. Cards generally used to purchase supply items should cite 26EB.

2-6.4 Payment of Interest

a. Under this system there should be no late payments, but Resource Managers will provide a fund cite to the paying office against which prompt payment interest can be charged.

b. The Prompt Payment Act requires that Services pay Billing Statements within 23-30 days of receipt. If this payment is not made, the Service must pay the bank interest on the unpaid balance. However, if the payment is not made on time, DFAS will compute and assess interest payment penalty and charge this interest to an account provided by the Approving Official's Resource Manager. This account will be established at the Approving Official level and should be loaded in the Master Account Code field for the Approving Official's Account Number at the time the Approving Official's account is established.

2-6.5 The Approving Official's appropriate resource manager/budget analyst will forward the certified month end Billing Statement to the supporting paying office (DFAS) within two (2) calendar days of receipt in their office.

2-7. DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS)

As the designated payment office, DFAS will:

- a. Receive monthly Billing Statement from the Approving Official after verification and certification.
- b. Make proper payment electronically to the Bank in accordance with the Prompt Payment Act.
- c. The Defense Finance Officer will appoint all certifying officers.

NOTE: All Billing Statements must be dated stamped or annotated with date of receipt by the Approving Official. If the date received by the Approving Official is more than 10 days later than the invoice date, convincing evidence, a statement by the Approving Official, needs to accompany the Billing Statement stating why the statement was late. If the statement is not attached, than interest may occur. The Prompt Payment clock starts when the Billing Statement is received at the post, camp, or station designated billing office. The invoice (billing statement), not the envelope, should be date stamped by the mailroom supporting the activity with the correct invoice receipt date. If the mail is delivered directly to the designated billing office or activity, the invoice must be date stamped at the office with the correct invoice receipt date. If the invoice is not properly stamped with receipt date, than the date of the invoice will be used for entitlement computation. Delay of more than 10 days later than the invoice date is assumed to indicate an invoice was not properly receipt date stamped.

Chapter 3

GENERAL INSTRUCTIONS

3-1. TRAINING REQUIREMENTS.

a. Prospective cardholders and approving officials must complete an eight (8) hour training on use of the purchase card. This training will be developed by the DOC and will include but not necessarily be limited to information about federal, defense, and Army regulations, policies and procedures pertaining to micropurchases and simplified acquisitions, and Government ethics training. Orientation shall address GSA, IMPAC contractor and installation-specific procedures for use of the purchase card. The Installation Agency Program Coordinator or an authorized individual will conduct this training.

b. For those cardholders that are authorized a single purchase limit exceeding \$2,500, additional training is required. The DOC will determine the extent and duration of this additional training.

c. Nominations for cardholder/approving officials must be submitted by the activity Commander/Director and coordinated with the activity's resource manager. The Resource Manager will establish the cardholder's 30-day limit and the approving official's 30-day office limit based upon prior history of usage for that activity and assign the appropriate accounting data. Once submitted to the Directorate of Contracting, it will be reviewed in regard to conflict of interest. All approving officials will be approved by the Defense Accounting Officer (DAO) as certifying officers.

3-2. IMPLEMENTATION PROCEDURES.

The cardholder's organization will ensure internal procedures are established that include, but are not necessarily limited to the following topics/issues:

- a. Funding process, including procedure to commit funds prior to purchase;
- b. Packaging, marking and delivery procedures to ensure easy identification of items received
- c. Designation of personnel responsible for certifying receipt and acceptance of items ordered.
- e. Procedures or process to add accountable (non-expendable/durable) items to the property book or hand receipt, respectively.
- f. Ensure that a copy of the delivery ticket is provided to the cardholder no later than one day following receipt of the item(s) when deliveries are made to a central receiving point (CRP).
- g. Procedures to ensure SOAs are verified, certified and forwarded to DFAS in accordance with required timeframes, during times of absence of cardholders and approving officials.

3-3. DOLLAR LIMITS.

Any changes to the following limits must be requested in writing by the approving official and the Director, Resource Management (DRM). The approving official will forward a memorandum through the appropriate budget office to the Agency Program Coordinator at the DOC.

3-3.1 Single Purchase Limit.

This is the maximum amount the cardholder can obligate per transaction, per merchant, and will be authorized by the DOC in the cardholder's delegation of authority. This amount will be determined by the approving official in coordination with the commander/director and the budget certifying official, and will normally be limited to the micropurchase threshold (\$2,500 - \$2,000 for construction) for outside-DOC

cardholders. DOC and some outside-DOC cardholders, with appropriate training and experience, may be authorized a higher amount when the card is used as a method of payment (must be specifically authorized in the cardholder's delegation of authority), and

- (a) the card is being used in conjunction with a simplified acquisition procedure such as a purchase order, purchase card agreement or requirements type contract, or

- (b) the card is being used to initiate calls or orders placed against existing contracts or agreements which include applicable clauses/provisions, and

- (c) individual contract/procurement instrument provisions provide for payment by IMPAC purchase card.

A single transaction may include multiple items, but the total amount of the transaction, to include all incidental charges (e.g. transportation costs), shall not exceed the cardholder's single purchase limit. **Purchases shall not be split in order to stay within the single purchase limit.**

3-3.2 Monthly Cardholder Limit. This is a budgetary limit established by the Approving Official in coordination with the budget certifying official. This limit is used for funds control purposes.

- (a) The total cumulative dollar value of all purchases during a single billing cycle may not exceed the established monthly limit, which is identified in the cardholder's delegation of authority.

- (b) The approving official must notify, in writing, the installation APC at the DOC if a higher monthly limit becomes necessary.

3-3.3 Monthly Approving Official Limit. This is the total of all monthly spending limits of cardholders under an individual approving official. If at some point the monthly cardholder limit is raised, then the approving official's monthly limit must also be raised before RMBCS will accept the increased expenditures in any given month.

3-4. DISPUTED ITEMS

The cardholder works directly with the vendor to correct any problems in purchase card transactions. If the vendor does not correct the problem in a reasonable manner, preferably by the next billing cycle, the cardholder should initiate a formal dispute. If an item has been billed on the SOA, but not yet received by the activity, the cardholder will follow the delayed dispute procedures.

3-4.1. Basis for Disputes

Most Common Causes of Disputes are:

Defective items - If items purchased with the purchase card are found to be defective (e.g., price, quantity, or quality), the Cardholder will obtain replacement or correction from the merchant as soon as possible. If the merchant refuses to replace or correct the faulty item or charge, the charge for the item should be formally disputed.

Unauthorized Charges - If a Cardholder receives an SOA that lists an unauthorized or incorrect charge, the Cardholder must try to resolve the charge with the vendor. After the Cardholder makes a reasonable attempt to resolve the situation with the vendor and vendor refuses the correct, the transaction must be formally disputed.

Items Billed But Not Received - The most common reason for Cardholders disputes involves transactions for items billed but not yet received. Cardholders shall annotate on their SOA that the item has been ordered but not received. A CSQI must be submitted if an item does not arrive by the time the next SOA is received. See Delayed Dispute Procedures.

3-4.2. Dispute Procedures.

3-4.2.1. Initiating a Formal Dispute

a. Problem transactions must first be addressed to the vendor for resolution (i.e., credit, repair, or replacement). If the vendor does not remedy the situation, Cardholders must complete a Cardholder Statement of Questioned Item (CSQI) and mail original (or fax) (e-mail is not authorized due to VISA requirements) directly to the Bank. A copy of the CSQI is attached to the original SOA with supporting documentation and forwarded to the Approving Official as part of the reconciliation process. Cardholders should submit a CSQI once a reasonable attempt has been made to resolve the issue directly with the merchant. Approving Officials will continue to monitor the status of the dispute and assist as necessary to resolve the issue with the Bank.

b. The SOA will be paid in full regardless of whether a CSQI is issued. Additionally, Approving Officials will certify the bill for payment in full. Any credits for the disputed items will be offset against future billings. If there is a reasonable expectation that the vendor will correct the situation, the Cardholder will follow delayed dispute procedures. Cardholders have 60 days from receipt of the SOA to dispute a transaction.

3-4.2.2. Delayed Dispute Procedures

If an item has been billed on the SOA, but not yet received, the Cardholder should wait until the following billing cycle to submit the CSQI.

Cardholders will be required to assist the Bank as necessary and should follow-up with the Bank until the dispute is resolved. A reconciled SOA should not be withheld for disputed items; rather the Approving Official will certify the Billing Statement for payment in full. Any credits for the disputed items should be offset against future billings.

3-4.2.3. **Bank Actions**

The disputed items are summarized on the SOA until resolved. The Bank will normally resolve a dispute within 120 days. If the Bank determines that a refund is due to the Cardholder, a credit will appear on the SOA. A breakdown of the disputed transaction will be available from the Bank upon request.

Note: Taxes and shipping charges are not disputable items.

3-5. **RECONCILIATION PROCEDURES**

3-5.1. **General**

The Bank will send a monthly Statement of Account (SOA) to the individual Cardholder for review and endorsement. Additionally, the Bank will send a Billing Statement to the Approving Official that reflects the account status of all the Cardholders assigned to him/her. **The Approving Official forwards the certified Billing Statement directly to their supporting resource manager/budget analyst. The certified Billing Statement must be received by the supporting resource manager/budget analyst 6th calendar day of receipt of the Billing Statement.** The Billing Statement will be certified for full payment. Disputed transactions will be captured and addressed through parallel means (see Disputes). In cases where a dispute is resolved in favor of the Cardholder, appropriate credit will appear in subsequent statements.

3-5.2. **Cardholder Responsibilities**

a. The Cardholder will receive their individual Statement of Account (SOA) from the Bank monthly. When the SOA is received, the Cardholder verifies the information on the statement. A description of items purchased on each transaction will be entered on the SOA unless, for example, there is an itemized receipt available. Disputed charges will be addressed separately (see Disputes).

b. The Cardholder signs the original SOA, attaches all original receipts or other supporting documentation (e.g., phone record, packing slip, cash register receipt), annotates that hand receipts have been issued as required (e.g., an item designated as sensitive), and forwards the packet to the Approving Official. If a charge is not considered valid, the Cardholder implements dispute procedures.

The Cardholder still signs the SOA but annotates discrepancies that are

expected to be resolved and attaches a copy of the Cardholder Statement of Questioned Item (CSQI) (see Disputes). Disputes will not impede the timely reconciliation of the SOA to the Approving Official.

c. In cases where the Cardholder will not be available to perform the reconciliation (i.e., vacation, TDY, or sick leave), it is the Cardholder's responsibility to notify the Approving Official and arrange for the reconciliation to be performed by the Approving Official or a designated alternate. If satisfactory arrangements cannot be made, the Approving Official must still certify the Billing Statement but may direct a specific individual reconciliation after the Cardholder returns.

d. The Cardholder sends the original SOA with receipts or other documentation to the Approving Official for review, approval, and certification. **The time limit for Cardholder reconciliation is three (3) calendar days of receipt of the Statement of Account.** (Note: In cases, where the Cardholder does not have the SOA available (e.g., the SOA did not arrive or is lost), the same information is available on the Approving Official's Billing Statement.) Reprints of lost Statements are also available from the Bank.

e. Cardholders who consistently fail to perform reconciliation or who fail to maintain adequate documentation may have their accounts canceled and purchasing privileges revoked, subject to review by the installation or activity commander.

3-5.3. Approving Official Responsibility

a. The Bank will send a Billing Statement to the Approving Official that displays a record of all transactions within the billing cycle for the Cardholders under his/her control. Under the Corporate Payment System (CPS) the Approving Official is referred to as "**the company**", meaning that this is the activity that receives the bill.

b. **The Approving Official must date-stamp the Billing statement with the date received**. The Bank will transmit the Billing Statement at the close of the billing cycle - the 23rd of the month. **The Approving Official's certified Billing Statement must be received by their supporting resource manager/budget analyst not later than the 6th calendar day of receipt.**

c. If the Approving Official does not clearly identify the date of receipt on the Billing Statement, the Prompt Payment Act requires the payment office to use the statement date as the assumed date of receipt. In many cases this will result

in the payment not being made in a timely manner and interest penalties will be assessed.

d. The Approving Official reconciles the Billing Statement against the Cardholder SOAs and supporting documentation **and forwards the original certified Billing Statement with two copies to their supporting resource manager/budget analyst.** If the Approving Official/Certifying Officer determines a particular purchase was illegal, improper, or incorrect, he/she should not certify without including in the file a memorandum (see Attachment 9) from the director/commander of the organization.

3-6. PURCHASING PROCESS

3.6.1. Once a need is determined to be valid for purchase with the purchase card, the screening has been accomplished, and any required approvals have been granted, the Cardholder obtains a quote from a vendor. If the Cardholder determines that the quoted price is fair and reasonable base on his/her knowledge of market prices, an order is placed with the vendor. If the purchase price is not considered reasonable, the Cardholder locates another source with a fair and reasonable price. Purchases from the NIB/NISH at higher-than-commercial market prices are acceptable. Records of competitive bids and quotes are not required. Micropurchases are exempt from set-asides for small businesses and the Buy American Act. Screening of mandatory supply sources is required.

3-6.2. Cardholders should routinely inquire as to whether there are discounts/Government discounts available. Also, Cardholders should inform merchants that the purchase is for official U.S. Government purposes and, therefore, not subject to state and local taxes (if applicable to that state).

3-6.3. Cardholders are required to rotate sources of supplies/services. For example, if there are two parts stores in a local area, purchases should be rotated between them.

3-6.4. All purchases, whether over the counter, by fax, or by telephone require documentation as proof of purchase (e.g., register tape, packing slip, etc.). That documentation will be used to reconcile the purchase shown on the Cardholder's Statement of Account (SOA) issued at each end-of-the-month billing period and will provide documentation required to establish and audit trail. If purchase is made over the phone, the Cardholder records the vendor's name, price quote, item identification, and date of purchase for reconciliation with the monthly SOA. The Cardholder must request the vendor to send a receipt. **Prior to placing order, assure that the merchant will accept the Government purchase card.**

3-6.5. Cardholders will acquire a firm-fixed, FOB destination, price. This includes all charges, including delivery, associated with the purchase. Item should be available for delivery within 30 days.

3-7. REQUIRED PRIORITY OF SOURCES

a. Once a requirement has been identified by the Cardholder, several decisions need to be made regarding the sources for supplies and services.

b. The Cardholder will screen four sources in order of priority, to satisfy the purchase requirement. The priority of sources is dictated by the Federal Acquisition Regulation (FAR) Part 8, Required Sources of Supplies and Services, Subpart 8.001 - Priorities for Use of Government Supply Sources has priorities listed in descending order.

(1) Activity/Installation Inventories

The Activity/Installation inventories can be office supplies maintained in a Self Service Supply Center or excess items maintained by the local supply community. Installation and activity level supply organizations will make a listing of locally stocked material available to Approving Officials and Cardholders.

(2) Federal Prison Industries

Federal agencies are required by law to consider purchase of items manufactured or produced by the Federal Prison Industries (FPI) prior to acquiring those items from commercial sources (e.g., furniture). In cases where FPI is unable to supply the items as needed, waivers are granted. FPI recently created a Quick Ship Catalog for Government agencies and it accepts the purchase card for all Quick Ship Catalog buys and guarantees that the products will be shipped within 30 days. In addition to the standard catalog, the UNICOR catalog (FPI's trade name) is available on the INTERNET at <http://www.unicor.gov>. The e-mail address for Customer Service is: custserv@central.unicor.gov. Customer Service phone number is 1-800-827-3168 or fax (606) 254-9692.

Cardholders are encouraged to use the INTERNET or toll free numbers to check and determine whether their needs can be met through FPI. Waivers from mandatory use at FPI must be obtained with assistance from the Contracting Office.

UNICOR encourages use of the purchase card.

(3) Industries for the Blind and Severely Handicapped (NIB/NISH)

The Javits-Wagner-O'Day (JWOD) program was established by Congress in 1971 to increase employment and training opportunities for people who are blind

or have other severe disabilities. Under the JWOD program, Federal agencies are required to buy commodities and services furnished by not-for-profit agencies employing individuals trained under JWOD.

JWOD items are available to Government activities through GSA, the Defense Logistics Agency (DLA), or specific contractors authorized to order from GSA. Items include office supplies, medical supplies, plastics, textiles, and industrial products such as paints and cleaners. Cardholders must use catalogs or another credible resource to determine which items are produced by NIB/NISH.

In accordance with statute, you must use NIB/NISH if the items requested are reasonably available - even if items are available at a local source for less.

NIB/NISH and GSA encourage use of purchase cards.

Cardholders can use the purchase card to obtain goods and services through GSA. The GSA has recently automated their catalog into their automated INTERNET website - GSA Advantage (www.gsa.gov). This INTERNET service gives authorized Federal Government users access to thousands of commercial items available from GSA at the lowest possible prices and has incorporated items from NIB/NISH and JWOD.

The GSA has established contracts with five major office supply firms (Staples, Office Depot, Boise Cascade, etc.) where the military can buy at greatly reduced rates. A complete listing of these contracts can be obtained by calling the Federal Supply Schedule Information Center at (703) 305-6477 or DSN 327-1022. The GSA National Customer Service Center is available at (800) 488-3111. (see Attachment 2)

(4) The Federal Supply Schedule for office supplies is an important resource for further GSA assistance with office supplies. Some of the features of this service are shown below:

- Delivery of a wide range of office supplies to a customer's desktop by the next business day is provided.
- Contractors accept orders 24 hours a day, 7 days a week.
- Payment by Government Purchase Card is acceptable.
- Contractors' catalogs include NIB/NISH and UNICOR items where appropriate. Contractors are prohibited from selling to the Government any non-JWOD item that is essentially the same as an item provided to the Government under the JWOD Program.

- GSA schedule includes (800) numbers for ordering catalogs from the suppliers.

(5) Wholesale Supply

(a) Approximately 4.8 million items in DoD wholesale supply system are centrally managed. Organizations requisition the supplies from the assigned inventory manager. It is the Cardholders responsibility to check the supply system for availability of managed items.

(b) Stock fund by-pass is not authorized for inventory managed items. However, when the supply system does not offer the best value in terms of time, cost, or quality for the required item, Defense Federal Acquisition Regulation Supplement (DFARS) authorizes organizations to bypass inventory managers and procure supplies from the local supply source.

(c) Cardholders may by-pass the stock record account when purchasing items that:

- Are not on the Army inventory;
- Have been assigned a NSN but have been coded in the Army Management Data File (AMDF) for local purchase with acquisition advice code of "K" or "L";
- Needed in emergency situations;
- That has been previously requisitioned through the supply system but have been returned to the customer for local purchase procurement with rejection codes of "CK", "CP" and "CW".

(d) Cardholders may purchase inventory-managed items directly from wholesale sources with the purchase card. DLA has established contracts with wholesale sources (Komatsu, John Deere, NAPA, and Freightliner).

(e) Local purchase provisions under AR 710-2, Para 4-20, do not apply to purchase card purchases.

3-8. SPECIAL REQUIREMENTS

3-8.1. Property Accountability

(a) Recent changes have raised the threshold for property requiring a hand receipt as follows: non-fixtures over \$2500, and all items designated as classified, DALO-SMZ-C message 01090000Z Oct 96, subject: New Policy for Property Accountability Thresholds Assigned for Property Below the Stock Record Account (see Attachment 1). The Property Book Officer (PBO) will be a

qualified resource for determining if items have to be entered into the Property Book. After purchase, Cardholders must obtain hand receipts for accountable material. The Approving Official will review Cardholder accounts to ensure that property hand receipts have been obtained for accountable property.

(b) Hand receipt holders must prepare DD Form 250 Material Inspection and Receiving Report to acknowledge and report purchases of non-expendable items to the PBO. The following procedures will be used when completing the DD Form 250 and will be found in Unit Supply Update 15.

- (1) Block 1. Enter the word "IMPAC"
- (2) Block 2. Enter the invoice number or reference number from vendor's receipt.
- (3) Block 9. Enter the vendor's name and address.
- (4) Block 13. Enter the hand receipt number and unit address.
- (5) Block 15 through 20. Enter information pertaining to item(s) purchased.
- (6) Block 22. Enter date of purchase and hand receipt holder's signature.

(c) Hand receipt holders will provide PBO with all DD Form 250.

3-8.2. Review of Automated Data Processing Equipment (ADPE)

(a) **Prior approval of ADPE/Telecommunication Equipment is required.**

A Capability Requirement (CAPR) is required for purchase of all ADPE/telecommunication equipment. An approved "blanket" CAPR will be obtained by the activity's Information Management Officer (IMO) from the Directorate of Information Management Office (DOIM) prior to any purchases made with the purchase card. This blanket CAPR will be retained by the IMO and renewed each fiscal year. Prior to purchasing, the cardholder will obtain a written approval from the activity's IMO and a copy of the CAPR for the official purchase records. The blanket CAPR may be obtained by contacting Charlie Boger, Room 20, DOIM.

(b) Along with the blanket CAPR when **purchasing PC's, prior written approval must be obtained by the activity's IMO from Judy Hassell, DOIM, to ensure compatibility with system architecture and to determine whether the intended purchase is appropriate or if there is excess property available to satisfy customer needs for the following equipment.** A copy of the approval and CAPR

will be forwarded with the cardholder's SOA at the end of the month to the Approving Official.

3-8.2.1. **IMO/ISO Responsibilities**

- (a) Review each purchase card request to purchase APDE/telecommunication equipment to ensure that the solution provided is accurate and is complete to the best of their knowledge.
- (b) Review each software request for purchase to ensure that software purchased meets the installation standard software packages.
- (c) Ensure that each acquisition for ADPE hardware and software meets the Fort Lee Information System Architecture.
- (d) Ensure that each procurement is not part of a centrally managed system.
- (e) Ensure the OMA funds are used and that the total cost of each requirement does not exceed \$2,500.00. Only OMA funds can be used for ADPE purchases.
- (f) Ensure the each purchase of PC's/notebooks meets the criteria regarding Personal Computer Memory Card International Association (PCMCIA) card slots. All procurements for PC's and workstations shall be capable of supporting at least two PCMCIA cards of the Type II height configuration.
- (g) Ensure that each purchase of all microcomputers, including PC's, notebooks, monitors, and printers meet "EPA Energy Star" requirements for energy efficiency.
- (h) For reporting all ADPE equipment purchases made with the purchase card to DOIM, ATTN: Judy Hassell.**

3-8.2.2. **IMO/ISO Installation Security Officer Responsibilities**

- (a) The IMO/ISO and Installation Security Officer are responsible for reviewing each procurement for security considerations in accordance with AR 380-19, Information Systems Security, 1 Aug 90 and should consider the following:
 - (1) Accrediting all computer hardware and software before arrival on-site and coordination with all activities/installations involved specifically where networks or mainframes are involved. New systems should not be used or linked until properly accredited.

Any questions on accreditation need to be addressed with the Installation Security Officer.

- (2) Ensuring that all computers software acquired from other than known reputable sources is scanned for viruses, i.e., software from public bulletin boards, private or exclusive mailings, and shareware.
- (3) Procurement of enough computer software for each user of the software to decrease the possibility of copyright infringement, i.e., reproduction of commercially produced software to preclude a possible lawsuit.

3-8.3. ADPE Hardware/Software Purchase Restrictions.

(a) Telecommunications equipment/spare parts **shall not** be purchased with the purchase card. **This includes, but not limited to, telephone, pagers, cellular phones, etc.** These items must will be approved for purchase by DOIM and purchased by the Directorate of Contracting.

(b) License software that requires negotiations for a contract (i.e., software not off the shelf) **shall not** be purchases with the purchase card outside the DOC.

(c) Use of the purchase card is limited to \$2,500 or less. Requirements **shall not** be fragmented to avoid the threshold. The purchase card shall not be used to circumvent the supply system.

(d) The purchase card **is limited** to purchases using **OMA** funds only.

(e) The purchase card **shall not** be used for FIP (Federal Information Processing) services.

(f) The purchase card **shall not** be used to purchase **internet services**.

(g) When **services for software support** are required DOIM must be contacted, and written approval from DOIM must be obtained prior to purchase.

3-8.3.1. Examples of items requiring a CAPR:

PCs, Printers, FAX machines, Software (off-the-shelf), CD-ROMs, Modems.

3-8.3.2. Examples of items which do not require a CAPR to purchase:

Cables/Connector; Disks (Floppy/Laser); Print Wheels; Cleaning Kits; Magnetic Tape and Disks; Glare Screen; Printer Stands; Computer Stands; A/B Switches; Mouse, etc.

Note: Any item required to be purchased and not listed above as a supply, the cardholder must contact DOIM for clarification as to whether a CAPR is required.

3-9. VISUAL INFORMATION EQUIPMENT

Prior to purchasing visual information equipment, contact must be made with Carol Roberts, VI Coordinator, CASCOT, for review and validation in writing. You may e-mail at Robertsc@dns1.army.mil.

3-10. AUDIT REQUIREMENTS

(a) Commanders/Directors are responsible for ensuring that adequate management controls are in place and working to provide reasonable assurance that resources are protected from fraud, waste, and misuse.

(b) In addition to the normal oversight function performed by the Directorate of Contracting on an annual basis, appropriate internal reviews are required.

3-11. MOBILIZATION

Cardholder will be allowed to use the same account number when transferring from one activity to another. Coordination must be made with the Agency Program Coordinator for prior approval.

3-12. USE OF THE PURCHASE CARD

3-12.1. PROHIBITED PURCHASES

Cash Advances

Telecommunication (telephone) services (e.g., major network services like FTS2000, DSN, DISN, or dedicated voice and data circuits)

Purchase, rent or lease of office space or other real property (including parking spaces)

Airline, bus, boat, or train tickets, motor vehicle rental, hotel lodging or subsistence cost, the purchase of meals, or any other services for which the Government travel card (American Express) would be appropriate

Personal use or items for personal benefit

Office Decorations - (e.g., Christmas or holiday type decorations) items for office parties

Awards/plaques/other recognition devices not associated with MACOM approved competitions.

Telephones (Process owner - DOIM)

Pagers (Process owner - DOIM)

Cellular Telephones (Process owner - DOIM)

Copiers (Process owner - DOIM)

Telephone calls

Internet Services (e.g., AOL) (Process owner DOIM)

Printing or Copying Services (Process owner – Defense Automated Printing Service (DAPS) unless exception is granted in writing by DAPS - POC Lois Holden, DOIM)

Construction (Limited to DPW and DOC - \$2,000 and under)

Promotional Items/Award Items/Gifts

Personal Clothing or Footwear (except when required for safety or when specifically authorized by the agency)

Purchase of gasoline or oil for vehicles (Process owner DOL)

Repair of GSA leased vehicles (Process owner DOL)

Any service for which an established contract exist (ex., janitorial services; yearly/monthly maintenance; copiers; painting) – Process owner DPW/DOC

Personal Services

Purchases over \$2,500.

Split purchases

ADPE services (maintenance, software support , license software that requires negotiations, etc.) – Process owner DOIM

SSA ASL stocked items, unless out of stock and estimated delivery date will not meet immediate requirements.

3-12.2. CONTROLLED PURCHASES

The purchase card cannot be used to obtain the following items without the specific approval from the supply system IMM (Integrated Material Manager). The installation DOL will obtain these approvals for the customer regardless of method of payment:

Weapons system related items;

Handguns, firearms and other sensitive items; and

Hazardous material such as chemicals, ammunition and explosives.

3-12.3. PURCHASES REQUIRING PRIOR APPROVALS

Software Support Agreements (Process owner DOIM – POC: Tim Thorpe)

Training (the purchase card may be used to obtain training under \$2,500. – prior approval and a fully funded 1556 must be obtained before the purchase card can be used.)

ADPE (CAPR required and prior approval from DOIM on computers)

Telecommunications equipment (CAPR required - DOIM)

FAX machines (CAPR required - DOIM)

CD-ROM (CAPR required – DOIM)

Software - off-the-shelf type (CAPR required – DOIM)

Audio Visual equipment (must be authorized in writing by the Visual Information Coordinator – POC: Carol Roberts – CASCOM)

3-13. LOST OR STOLEN PURCHASE CARDS

Procedures for lost and stolen cards will be implemented as soon as the loss is discovered. The phone number to call in case of lost/stolen cards is listed on the SOA and Billing Statement and on the back of the cardholder card. However, depending on the time of the loss within the billing cycle, transactions may still appear on the SOA and Billing Statement.

3-14. **RECORD KEEPING PROCEDURES**

(a) The existing file numbers reference in AR 25-400-2, dates 26 Feb 93, The Modern Army Recordkeeping System (MARKS) will be used for records created by the use of the purchase cards.

(b) The approving officials shall establish a file system using the following file numbers:

FN 715

Title: General Procurement correspondence files.

Description: Information relating to procurement which cannot logically be filed with the detailed record numbers below. ACTION document.

FN 715h

Title: Contracting Officer designations

Description: Records pertaining to appointment of approval authority and delegations of authority to cardholders by the approval authority.

FN 715j

Title: Small purchase categories

Description: Records pertaining to credit card transactions.

ATTACHMENTS

GSA Desktop Office Supply Contracts for ordering UNICOR/NIB/NISH

In April 1996, GSA awarded multiple award contracts to five contractors which included providing the above products and supplies. The contracts offer very competitive, FOB-Destination prices and next day delivery.

These contracts offer another streamlining tool for the cardholder in meeting the requirement to obtain needed items from mandatory sources (UNICOR/NIB/NISH) while being assured of the best available prices and quick turnaround on delivery.

Even though competition is not required for micropurchases, purchases should be rotated among these five contractors. To assure best prices and terms, cardholders must ensure they place orders with the appropriate Government sales representative for these “desktop” contracts, referencing the vendor’s GSA contract and customer account number, once established. Also, cardholders can solicit better than published catalog pricing for large orders.

As part of the terms of their GSA contract, the contractors are required to sell the UNICOR/NIB/NISH products .

See attached.

Attachment 2

Other supply sources:

GSA Advantage – on line shopping

<http://gsa.gov>

UNICOR

e-mail Customer Service

Phone No.

FAX

<http://www.unicor.gov>

custserv@central.unicor.gov

(800) 827-3168

(606) 254-9692

Attachment 2

Desktop Contracts:

Corporate Express
10400 Eaton Place
Suite 305
Fairfax, VA 22030
Contract # GS-14F-0170D
POC: Suzi Higgason
800-706-9254 X6443 Or
Jeff Muehleib
800-706-9254 X6442
Catalog available

Staples National Advantage
(Division of Staples)
45 E. Wesley Street
S. Hackensack, NJ 07606
Contract # GS-14F-0173D
POC: Dave Potter
800-538-2728 X4085
Catalog available

Boise Cascade Office Products
6745 Business Parkway
Elkridge, MD 21227-6340
Contract # GS-14F-0169D
POC: Mark Heuer
800-942-6473 X5567
Catalog available

Office Depot
Government Sales Telemarketing
2200 Old Germantown Rd
Delray Beach, FLA 33445
Contract # GS-14F-0171D
POC: Tim Sommers
888-263-9586
Catalog available

BT Office Products International
2810 E. Parham Rd
Richmond, VA 23228
Contract # GS-14F-0172D
POC: Michael Touchette
800-759-1976 X3003

Attachment 2

IMPORTANT PHONE NUMBERS

Agency Program Coordinator (APC)
Directorate of Contracting

Kay Braswell

734-4625

E-mail: braswelk@lee.army.mil

Assistant Agency Program Coordinator
Directorate of Contracting
E-mail: freemanj@lee.army.mil

Julius Freeman 734-4617

Assistant
Directorate of Contracting
E-mail: evansw@lee.army.mil

Wanda Evans 734-3045

Installation Property Book
Directorate of Logistics
E-mail: stephenb@lee.army.mil

Barbara Stephenson 734-4175

Stock Record Branch
Directorate of Logistics
E-mail: taylorj1@lee.army.mil

Julie Taylor 734-4675

ADPE
Directorate of Information Management
E-mail: hasselj@lee.army.mil

Judy Hassell 734-7504

Legal Counselor
Staff Judge Advocate
E-mail: willm@lee.army.mil

J. H. M. Will 734-1533

Visual Information Coordinator
CASCOM
E-mail: robertsc@lee.army.mil

Carol Robertson 734-4665

Centrally Managed Equipment

Bill Isham 765-0608

DFAS-Lawton-Fort Sill OPLOC
DFAS-LW-FPV (Vendor Pay)

Commerical (580)442-0301
DSN 639-0301
Toll Free 1-888-445-5154

FORT LEE TAX EXEMPT ID NUMBER – 54-1186950

DISPUTES

1. Complete disputes form (Cardholder Statement of Questioned Item)

Original – Mail to the bank card company.

Copy - Forward with SOA to the Approving Official at the end of the month.

Copy - Cardholder suspense file to be worked.

2. Statement Procedures.

Circle the amount on SOA and annotate as a disputed item.

When credit is received it will be indicated on the Cardholder's SOA and deducted from the total amount by the bank.

3. Each cardholder is responsible for clearing up their disputes and the Approving Official is responsible for oversight of the disputes of their Cardholder(s).

4. Cardholders cannot dispute tax or shipping charges.

Attachment 4

DISPUTES

How do I report problems and obtain redress?

When you discover a discrepancy with a transaction or on the Cardholder's Statement of Account, you should immediately contact the vendor and attempt a resolution to the problem.

If no understanding can be reached, you should complete the Cardholder Statement of Questioned Item form and immediately send it to the purchase card company. The purchase card company will issue a temporary credit to your account until the dispute is resolved.

How do I submit my Statement of Questioned Item form?

Send the original directly to the purchase card company. Send a copy with the monthly Statement of Account to the Paying/Finance Officer. Keep a copy for your own records as well. For every item for which your agency does not pay, the agency has to have supporting documentation - including the Statement of Questioned Item and Invoice Adjustment forms (latter prepared by the Paying/Finance Officer).

How do I reconcile a credit for a sale that took place in a prior billing cycle?

When you get a credit several months after original purchase, do **NOT** deduct that from the current Statement of Account. Rather, deduct the credit from the Statement of Account for the month in which the disputed sale was billed. When the Paying/Finance Officer pays the purchase card company, the Paying/Finance Officer annotates the Government check to indicate the amount of money to credit against each month's balance - including both the current month and any prior month that the Government did not pay in full because of questioned items.

What if I have been billed for an item that I never ordered?

Submit a Cardholder Statement of Questioned Item form. Check the block marked **“UNAUTHORIZED MAIL OR PHONE ORDER”**. Send the original of the form to the purchase card company.

What if I am billed for an item I did not receive?

If you are billed for an item you did not receive, first check with the merchant to see if it is in transit. Attempt to resolve it at the merchant level, either through receipt of the item or a credit for the item. If you are unable to resolve the matter with the merchant, then you may follow the dispute procedures under the program.

What if I have purchased an item or service and the Approving Official does not approve the purchase?

The Government must pay for the purchase and recoup the amount of the purchase from you.

What if I have ordered an item that has been billed but has not yet been delivered?

Contact the vendor to determine whether the item has been shipped. The cardholder must dispute the item until received.

What if I receive a multiple billing for the same item?

Submit a Cardholder Statement of Questioned Item form. Check the block marked **“DUPLICATE PROCESSING”**. Send the original of the form to the purchase card company and a copy with the Statement of Account.

What if I have returned the merchandise but have not received a credit on my Statement of Account?

Submit a Cardholder Statement of Questioned Item form. Check the block marked **“CREDIT NOT RECEIVED”**. Send the original of the form to the purchase card company and a copy with the Statement of Account.

May I return a purchase?

You can return to the vendor for a variety of reasons, **within 60 days** (maximum) after the date on your statement of account where the item appears as charge. If the item is damaged in shipment, is not what you ordered or you are dissatisfied in any way, return the purchase to the vendor and request either a replacement item or a credit to your account. By accepting the card as payment, vendors also accept this requirement of the contract between the Government and the purchase card company.

What if I need a copy of the sales draft for my records?

Submit a Cardholder Statement of Questioned Item form. Check the block marked **"COPY REQUEST"**. The purchase card company will send you a copy of the sales slip. After the copy arrives, determine whether to dispute the sale.

If you have a problem with the sale, complete and forward a new Cardholder Statement of Questioned Item form.

What if the price billed differs from the price on the receipt or that was quoted over the phone?

This could happen for a variety of reasons. Cardholders should determine whether the difference in price involves shipping or handling or a tax charge. Addition of these two charges to the price **CANNOT** be disputed to the purchase card company. You must contact the vendor and ask for a credit and pay the charge as it stands on your Statement of Account. This is why it is so important for you to ask the right questions when making a purchase. Always indicate to the vendor that the purchase is tax exempt and make sure you know whether the price includes shipping. If the amount of the charge has been altered since the time of the purchase and the alteration does not involve tax or shipping, submit a Cardholder Statement of Questioned Item form, check the box marked **"ALTERATION OF AMOUNT"** and send the original of the form to the purchase card company and a copy with the Statement of Account.

What if the vendor requires that returns be made in 10 days or less?

If the vendor prints that on the bill of sale, ignore it. By accepting the Government commercial purchase card, the vendor has also accepted the purchase card company's terms and conditions for payment - which include a 60 day period at minimum for returning purchases. If the merchant refuses to accept a return made after 10 days, dispute the sale on the Cardholder Statement of Questioned Item form.

How do I cancel an order?

Contact the vendor and indicate you wish to cancel the order. If the vendor has already processed the transaction, the vendor can simply issue a credit. If the vendor has not processed the transaction, simply tell the vendor to cancel the order. By accepting the card as payment, vendors also accept this provision of the contract between the Government and the purchase card company.

What if I cannot tell whether or not I made the purchase, given an inadequate description in the bill?

Submit a Cardholder Statement of Questioned Item form. Check the block marked **“INADEQUATE DESCRIPTION/UNRECOGNIZED CHARGE”**. The purchase card company will send a copy of the sales slip to the cardholder.

NOTE: This action resolves this dispute. If you then determine that the purchase was unauthorized, you **MUST** submit another Cardholder Statement of Questioned Item form.

Attachment 4

STANDARDS OF CONDUCT THAT APPLY TO PURCHASE CARD TRANSACTIONS

REFERENCES:

TITLE 18 United States Code Section 201 & FAR 3.101-1, 3.101-2, (no gratuities, gifts, favors, entertainment, loans, or other things of monetary value from vendors), 3.101-3 (Standards of Conduct), 3.301 (reports of suspected antitrust violations), 18 U.S.C. 286 (do not conspire to defraud the Government), 18 U.S.C. 1001 (no false statements or cover-ups).

Definition

“FRAUD” Any felonious act of corruption or attempt to cheat the Government or corrupt the Government’s agents.

Some Indicators of Potential Fraud on the Part of Government Employees

-Splitting requirements to stay under the micropurchase threshold.

A -False statement about what was purchased or how the card was used.

-Using the card for prohibited purchases.

-Using the card for person use.

Some Indicators of Potential Fraud on the Part of Vendors

-False invoices and mis-charging the Government.

-Bribes and gratuities.

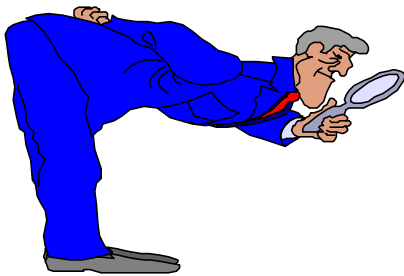
-Kickbacks.

Attachment 5

CONTRACTORS DEBARRED FROM DOING BUSINESS WITH THE GOVERNMENT

The following companies/individuals have been debarred from the Army Procurement Program. Cardholders shall not use the following vendor(s):

Battery Barn of Virginia, Inc.
124 East Washington Street
Petersburg, VA 23803



Attachment 6

CARDHOLDERS BEWARE

WHEN PURCHASING NONEXPENDABLE SUPPLIES BE SURE YOU DO NOT PURCHASE CENTRALLY MANAGED EQUIPMENT WITHOUT CHECKING YOUR TDA FOR AUTHORIZATION.

CENTRALLY MANAGED EQUIPMENT

(EXAMPLE)

PUNCHING AND BINDING MACHINE PAPER: DESKTOP HAND
LEVER OPERATED. LIN: P98498 CHAPTER #6, SB 700-20 CIC C, ARC N. AAC L.

CODES

CIC "C". INDICATES MILITARY OR COMMERCIAL MATERIAL WHICH BECAUSE OF ITS FUNDING, EXCESSIVE COST, OR OTHER SELECTED CRITERIA IS MANAGED THROUGH CENTRALIZED REQUIREMENTS AND AUTHORIZEDS APPROVAL.

ARC "N". COMMERCIAL AND FABRICATED ITEMS SIMILAR TO ITEMS CODED "N" IN THE AMDF ARE CONSIDERED NONEXPENDABLE ITEMS.

AAC "L". LOCAL PURCHASE.

SEE AR 71-13 FOR AUTHORIZATION APPROVAL PROCESS.

ANY FURTHER QUESTIONS MAY BE DIRECTED TO MR. BILL ISHAM AT EXT. 50608.

Attachment 7

IMPORTANT NOTICE

Effective 1 July 1997 all CSC and IPC customers of the Directorate of Logistics will be required to order from GSA using the purchase card. These accounts will become obsolete.

Attachment 8

AT____

Date

MEMORANDUM FOR

SUBJECT: Apparent Misuse of IMPAC

1. You have informed me of an apparent misuse on (date) of the IMPAC purchase card by one of the cardholders (name) assigned to this organization.
2. I have taken/will immediately take appropriate action to have the suspect transaction investigated, and have taken/will take appropriate corrective action.
3. This memorandum confirms your reporting of the incident to your supervisor, and should be kept in your file for at least three (3) years.

COMMANDER/DIRECTOR

Attachment 9

EXHIBITS

